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SUBJECT: COLOMBIA-CHILE FTA ENTERS INTO FORCE

REF: BOGOTA 15

1. (U) SUMMARY. Colombia's FTA with Chile, signed in 2006, entered into force on May 11, 2009. While the immediate impact will be minimal, the Agreement covers areas -- investment, intellectual property and agriculture -- not included in the two countries' previous trade accord. The entry-into-force milestone represents further progress towards Colombia's goal of nine FTAs with 45 countries by 2010 (Reftel). END SUMMARY.

NEW AGREEMENT UPDATES AND EXPANDS ON PREVIOUS PACT  
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2 (U) Colombia and Chile negotiated a previous agreement governing bilateral trade in the early 1990s within the framework of the Latin American Integration Association (ALADI). As a result of this earlier accord, the vast majority of bilaterally traded goods already entered tariff-free. According to Maria Eugenia Mesa, the Trade Ministry's Director of Commercial Relations, remaining tariffs -- primarily on agricultural products -- will phase out by 2011 and 2012, meaning the Agreement's immediate impact on trade will be minimal. Nonetheless, this modern FTA has provisions for investment, services, intellectual property and other areas, not covered by the previous pact. In 2008, Colombia imported \$700 million worth of goods (1.8 percent of total Colombian imports) from Chile; Colombian exports to Chile (predominantly oil and coal) totaled \$840 million (2.3 percent of global Colombian exports).

COLOMBIA'S NINE AGREEMENTS: FOUR DOWN, FIVE TO GO  
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3. (U) With FTAs already in force with Andean neighbors, Mexico, Mercosur and now Chile, Colombia's next agreement to come online would be with Central America's Northern Triangle (Guatemala, Honduras and El Salvador). Mesa told us that the Colombian Constitutional Court has until the end of June to rule on the Northern Triangle Agreement, implying entry into force in late summer/early autumn of 2009. Meanwhile, FTAs signed in 2008 with Canada and the European Free Trade Area (Switzerland, Norway, Iceland and Liechtenstein) continue to move toward Colombian Congressional ratification. Negotiations are also proceeding apace with the European Union (Septel).

4. (U) As the GOC re-engages with the USG on how to move the U.S.-Colombia Trade Promotion Agreement forward, Colombia continues to make progress with its other trade partners

toward more open and diverse markets.  
Nichols